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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.

AGRICULTURE IN ACTION

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October 7, 1946

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U. S. DEPARTMENT OF AGRICULTURE

Dear Committeemen;

The information included in this letter is to assist you in the administration of Production and Marketing Administration Programs and provide understanding of related actions.

A. W. Manchester

A. W. Manchester
Director, Northeast Region

**POTATO SUPPORTS INCREASED;
PURCHASES OF POTATOES REPORTED**

Potato support prices for the portion of the 1946 crop to be marketed after September 1946 have been increased five cents a hundredweight,

the Department of Agriculture announced last week.

The adjustment takes account of further increases in the parity price of potatoes as of the beginning of the marketing season on July 1. The 5-cent increase applies only to that part of the marketing season after September when the bulk of the late-potato crop is marketed.

Price schedules for October, November, and December include support prices for all grades of potatoes, graded and sacked f.o.b. carrier, and for potatoes bulk loaded at grower's gate. For potatoes bulk loaded at grower's gate, a "farm gate deduction" is allowed.

Under the potato program ended September 15, almost 33 million bushels of potatoes were purchased by the Department of Agriculture for food distribution programs and for diversion to industrial outlets.

Of this figure, 600,000 bushels were diverted to food distribution programs, including school lunches; about 19.4 million bushels to alcohol; 9 million bushels to distillation and livestock feed; 1.5 million bushels to starch; 275,000 bushels to flour; 400,000 bushels held in cold storage in "Atcheson cooler," near Atcheson, Kansas; and 5,000 bushels to syrup production.

Emergency Storage Potato Loans Extended. Potato growers in Connecticut, New York, Wisconsin, Oregon, Nebraska, New Hampshire, and three counties in Wyoming; Scott County in Kansas; and Morgan County in Colorado, may now obtain loans on potatoes in emergency field storage. Approval of this program had previously been given for Maine and Massachusetts. All growers who have potatoes in excess of permanent storage capacity are eligible for the loans in these areas.

**SCHOOL LUNCH PROGRAM TO
REACH 8 MILLION CHILDREN**

At least 8 million boys and girls in more than 46,000 public and nonprofit private schools will get lunches under the National School Lunch

Program during the 1946-47 school year. Agreements have been signed by the U.S. Department of Agriculture and each of the 48 States, the District of Columbia, and the territories.

This is the first year of operation under the permanent school lunch legislation approved last June. Previously, funds for the program were authorized on a year-to-year basis. Under the new act, USDA will allot funds each year, with the States matching them.

ASK INCREASE IN
1947 SPRING PIGS

Hog producers are being asked by the Department of Agriculture to increase their 1947 spring pig production above 1936 numbers. The Department has announced a 1947 spring goal of 58 million pigs and 9,170,000 sows to farrow. This is 13 percent above the number of sows which farrowed the 1946 spring pig crop.

The biggest increase is sought in Corn Belt States, where a record-breaking corn crop is being harvested this fall. The Corn Belt goal calls for an increase of 15 percent above 1946. For farms outside the Corn Belt, the average increase sought is 9 percent.

Support prices on hogs to be marketed between now and October 1947 have been boosted an average of \$2.25 a hundred pounds above the \$12 average previously announced for 1946-47 marketings. For the months of August and September next year, the average increase is around \$2.50.

Since May 1945 the support level has averaged \$13 a hundred pounds, Chicago basis. The new level is \$14.25.

Support prices are set on a week-to-week basis to allow for seasonal variations. The higher prices were established in line with increases in the parity price of hogs. Support prices on hogs to be sold after September 1947 have not been announced.

WORLD WHEAT CROP
LARGEST SINCE 1940

A world wheat crop of 5,875 million bushels -- the largest since 1940 -- is forecast for 1946. This would still be slightly below the 1935-39 prewar average of 5,914 million bushels, but substantially above the 1945 production of 5,150 million bushels.

Present prospects are for increases in all areas, because of larger acreages as well as more favorable weather. World wheat acreage is expected to amount to around 405,200,000 acres, compared with 385,100,000 acres in 1945 and an average of 414,600,000 acres for 1935-39.

The most outstanding gain over last year's crop is in Europe, where the crop is expected to reach 1,360 million bushels, about a third larger than last year's small crop, but still 16 percent less than the prewar average. European acreage is somewhat below average, but about 12 percent larger than the 1945 estimate.

After Europe, the largest indicated gain over last year's harvest was in North America. In Africa the crop approaches the prewar average. In Asia, acreage and production are both indicated at above-average, except in India where severe drought has been reported.

Harvest in the Southern Hemisphere will not begin until November. Argentina reports the largest acreage sown since 1945, but still below average. Production in Australia is also expected to be below average, mainly as a result of drought in its important producing area.

BURLEY TOBACCO GROWERS TO
VOTE IN MARKETING REFERENDUM

On October 25, burley tobacco growers will vote in a marketing quota referendum to determine whether they (1) approve marketing quotas for the 1947, 1948, and 1949 crops, (2) approve quotas only for the 1947 crop, or (3) disapprove quotas. If two-thirds of the growers voting in the referendum approve quotas, they will continue in effect.

WEED KILLER OK'D Farmers cooperating in the 1947 Agricultural Conservation
FOR ACP USE Program may use 2,4-D as a weed control practice in States
which approve its use.

New evidence turned up by the Bureau of Plant Industry demonstrates that 2,4-D (2,4-Dichlorophenoxyacetic acid) is very bad news to the Canada thistle and bindweed. Its effectiveness in combating other weeds remains in question.

Properly applied, 2,4-D either kills bindweed or cuts its vigor to the point where it can't produce seeds or interfere with crop production. Bindweed is a threat to such crops as wheat, oats, corn and bluegrass.

In eastern States and California, tests show that a single treatment of 2,4-D kills bindweed. It is not quite so effective in central, western and intermountain States.

Canada thistle is tougher stuff than bindweed where 2,4-D is concerned. But the chemical usually prevents the thistle from going to seed, and usually kills it after two or three treatments.

The credit rate on 2,4-D as an ACP practice will be limited to 50 percent of the cost of the material.

HARD TWINE OUTLOOK The outlook for hard cordage fiber for the rest of 1946
NO BETTER continues very bad, and supplies of some fibers will probably
be only about half enough to meet full U.S. requirements.
Among all textiles, only cotton broad-woven goods are as short as the hard cordage fibers.

Manila and agave fiber imported into the United States is purchased abroad by the Federal Government and allocated to manufacturers for making the most needed cordage products. Processors may now use these fibers only in producing rope, binder and baler twine, and five other kinds of essential twine.

GRAIN CHARTED Grain and grain products totaling 2,270,000 long tons will be
FOR EXPORT exported during the Oct.-Nov.-Dec. quarter of 1946, the Depart-
ment of Agriculture has announced. This is in addition to
approximately 900,000 tons carried over from the third quarter. Included in the
program for the fourth quarter are: 1,045,000 tons of wheat; 858,000 tons of
flour (in terms of wheat equivalent); 253,500 tons of corn; 62,500 tons of oats;
and 51,000 tons of grain sorghums.

Wheat programmed for the fourth quarter (except for Mexico and other Latin American countries) will be supplied by the Production and Marketing Administration. From September 9 through September 27, PMA wheat purchases totaled 17,876,697 bushels.

Shipments of flour, corn, oats and grain sorghums, except quantities for UNRRA and U.S. Occupied Zones in Germany, Italy, Japan, and Korea, will be procured by claimants through commercial channels.

When export programs for the fourth and third quarters are completed, approximately 55 percent of the 400-million-bushel export goal will be reached. This goal covers the current marketing year -- July 1, 1946, through June 30, 1947.

ALLOCATION OF SEEDS Allocations of alsike, crimson and white clover, and per-
FOR WORLD USE ennial rye grass seeds for 1946-47 world use have been
recommended by the International Emergency Food Council.

Supplies of alsike clover are below requirements presented to the IEFC, due to unfavorable weather in major producing areas and above-normal demand. White clover seed will be drawn upon as a substitute.

Crimson clover seed will approximate requirements. Perennial ryegrass seed is in short supply, and common ryegrass seed will be used as a substitute.

Much of the demand for the four seeds comes from the British, French, and United States Zones of Germany and Austria. Although most agricultural production in these areas is for human consumption, importations of seed are needed to grow feed for livestock.

Exporting countries of the various types of field seeds include Canada, Czechoslovakia, Sweden, United States, Denmark, New Zealand, United Kingdom, France and Italy.

Procurement by importing countries is to be substantially completed by November 1, 1946. After that date, exporting countries will be authorized to dispose of seed supplies unprocured in any manner they desire.

83,822 ACRES SURPLUS Surplus agricultural and forest land totaling 83,822
LAND SOLD BY FCA acres had been sold by the Farm Credit Administration
up to August 25. Properties for disposal are chiefly
military training camps and sites of munitions plants no longer needed by the
Government.

Assignments come to the Farm Credit Administration from the War Assets Administration. After the surplus properties have been appraised by FCA, they are advertised for 90 days. Offers to purchase are then accepted by the local project manager.

Texas, with 19,401 acres sold, ranks highest in the disposal program. Colorado is second with 9,856 acres, and New York, third, with 7,655 acres. In Ohio, 7,328 acres have been sold, 7,281 acres in Indiana.

About 63 percent of the acreage sold has gone back to former owners. Veterans have taken about 13 percent. The Government has recovered approximately 69 percent of the reported cost of the properties in the sales.

* * * *

Russian Cotton -- Plans have been approved by the Soviet Government to increase cotton production which declined greatly during the war. The intention is not only to recoup the losses of wartime but to exceed the prewar production level. Particular emphasis will be placed on raising the yield of cotton grown under irrigation, notably in the Uzbek Republic, which before the war supplied about 60 percent of the cotton crop of the Soviet Union.

Radio Transcription

A. W. Manchester, Director, Northeast Region

Field Service Branch, PMA, U.S.D.A.

October 10, 1946 - 6:15 a.m.

Station WBZ - Boston, Massachusetts

All this week a meeting is being held in Washington to attempt to look over prospects for the coming year, and to make plans for the nation's farm production. There are about 250 delegates from the 48 States taking part in the discussion.

This conference meets in the atmosphere of uncertainty and doubt as to the future that is widespread over the entire country. Its presence was demonstrated by the recent stock market collapse, but wherever one goes, he finds people, particularly those in business, pretty generally nursing a feeling that things are going to the bad some time ahead. As a rule, people can't give a very definite, concrete and tangible reason for their belief. But the belief itself is real and firmly held.

As nearly as I am able to appraise what lies back of this feeling, it is a realization that forces are building up that have the power to cause a collapse and that actually threaten one. The growing inflation is one of those forces. Anybody who walks into a store and tries to buy much of anything anywhere now, is struck by the mounting prices and the country is pretty well sold on the "boom and bust" theory. As they used to say when I was a boy, "What goes up must come down, on your head or on the ground." Most people are afraid it is going to be on their head!

Nor can most folks see how the forces that are causing the inflation are going to be stopped until they have driven prices to absolutely ruinous levels. I personally don't feel like blaming anybody for what is going on. Our present methods of settling questions of prices and wages, which are prices of labor, are by pressure. Each group organizes to see that it will be able to generate the pressures necessary to keep its prices at least as good as the other fellow's. And each organization has been learning to do a better and better job of it.

As prices of things that working people buy go up, working people's organizations go to work to get wages up. If wages go up, businessmen's organizations turn all the agencies of publicity and pressure loose to put prices up. And when farmers are caught with rising costs, their organizations -- and they are pretty well developed now -- set about getting farm prices up. When farm prices go up, costs of living mount, so wages have to go up again. It's a familiar story -- we all know it.

For the present, the country is thoroughly committed to this process. Each of the types of organization has pretty much gone on record in demanding that the process be left alone. Everybody is struggling for his special interest, while at the same time there is grave danger that all will suffer from the undermining of the general interest.

And just now there aren't many spokesmen left for the general interest. It is possible that some day in domestic affairs -- just as in world affairs -- we may declare for the ways of peace, for institutions of justice, instead of the ways of war. But we haven't arrived there yet. Until we do, we shall probably put a lot of our efforts into the totally profitless process of trying to call this

(continued next page)

fellow or that fellow or the other fellow to blame. Businessmen and farmers are right now pretty much blaming the labor unions. The labor unions pretty much blame the greed of business. As a matter of fact, all are caught in a bad process, and are simply doing what they think they have to do to protect themselves and survive under it.

We are wasting the time and brains and energies that we need to develop a decent system under which we can go ahead and realize the potentialities of America, in fighting each other. In the long run we shall all lose if we stay at each other's throats.

That is the atmosphere in which this conference meets. It is not a very cheerful one. Most people are not very much worried about the immediate future -- the boom will probably go on for a while. The collapse may not get bad before another year's crops are harvested and marketed. Everybody hopes so, and it is reasonably probable. But it is not a very happy situation to be in, when your only hope is that you'll have a little longer before you walk over the edge of the cliff.

As far as agriculture is concerned, almost everybody is agreed now that the first essential for continuing agricultural prosperity in this country is high employment and good wages -- that is, that there be a big and prosperous market for agriculture's constantly mounting production. The discouraging thing is that everybody says that, but when we come to the obvious next question of how we are going to have full employment and good wages -- what are we going to do to meet it -- the answer is apt to be either a clamor of disputing voices or an ominous silence.

In many ways, this is the most basic question that faces American agriculture today; and also the most basic question that faces all the rest of our American economy. It's not going to be answered and answered well by class or pressure groups. It is not a question that I can even appropriately talk about. It's too involved just now in politics. But that doesn't alter the fact that there is a crisis ahead in America. Unless a good many people can rise above ordinary politics and partisanship, until they can think beyond how to get the best of short-time petty bargains, and can do some clear thinking on how we can build a sound and stable America for the years ahead, we are unquestionably headed for the collapse that hangs like a dark cloud in the distance and is already casting its sinister shadow over this conference.

* * *

(Agriculture in Action -- Issued weekly and distributed in Northeast to State PMA Committeemen, State Offices of PMA; Farmer Fieldmen, County Offices in Mass., Conn., Penna., N.J., and N.H.; County Committeemen in N.J., Penna., N.H., and R.I.)

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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.

October 16, 1946

AGRICULTURE IN ACTION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester
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Director, Northeast Region

COUNTY, COMMUNITY COMMITTEES
MAY NOW RENDER TECHNICAL
ASSISTANCE UNDER ACP

State committees may now authorize county committees to furnish technical assistance not otherwise available in laying out the following practices to be performed for payment under the

Agricultural Conservation Program:

1. Staking out terraces and sod waterways.
2. Running contour guide lines.
3. Staking out drainage systems.
4. Determining proper locations for and staking out erosion control dams, dikes, and diversion ditches.
5. Determining proper locations for and staking out stock water dams and other stock water developments.
6. Engineering assistance in riprap.

Community committeemen and county committeemen or other trained personnel may be employed to perform these services. The expense of performing such services will be charged to program rather than to administrative funds. Consequently, such services to farmers may be made available without requiring a cash collection from farmers (or without reducing the payment for the practices) and without considering expenses of such services and establishing credit or deduction rates.

Likewise and under the same plan the following additional types of services may be rendered under the conservation materials and services program: Inspecting, sampling, testing, or otherwise determining such materials or services meet proper standards. This also includes inspection of dams, or other structures built under the purchase order plan to determine whether or not specifications have been met and to determine the number of units on which payment to the contractor should be made.

Only to the extent that the necessary assistance is not offered by Soil Conservation Service, Extension, or other Federal and State agencies should county committeemen, community committeemen, or other trained personnel be employed to perform these services.

Equipment, such as transits, levels, rods, etc. which are needed to perform services to be furnished by the county committee may be purchased under the above policy which was outlined in a memo from Dave Davidson, Field Service Branch Director, to State PMA Committees. The memo also stated that State committees should contact county committees to determine volume of assistance that may be furnished and equipment that will be purchased in connection with the practices to be performed during a program year.

DAVIDSON ATTENDS
COMMUNITY ELECTIONS
IN CHESTER COUNTY, PA.

Farmer-committeemen administration will continue to be effective as long as farmers maintain their interest in such a system, Dave Davidson, Assistant Administrator of the Production and Marketing Administration recently told Chester County farmers at Downingtown, Pennsylvania.

Speaking before farmers prior to the election of ACP community committeemen, Mr. Davidson said that "for the past 13 years we have been the leading actors in a remarkably successful experience of democracy in action." He described the Federal farm programs, designed to help farmers and run by farmers, as "unique in the whole history of democratic government."

Farmer-committeemen serve an even more important purpose than administering the farm program. "They are the direct line of communication leading to the grass roots of American agriculture -- in one direction transmitting the problems and the opinions of local farmers to their Government in Washington, and in the opposite direction bringing the national programs back to the individual farms," Mr. Davidson stated.

The county office is a "service station" for farmers, he stated, a place where farmers can bring their problems and get information and assistance.

In discussing post-war problems, the PMA official said that farmers should strive for continuation of full employment in the United States -- since "wartime prosperity demonstrated that fat pocketbooks and full employment will increase food consumption." Better eating standards for our foreign neighbors not only serve the American farmers but also promote world peace, he said of international trade among countries of the world. Farmers need not be frightened by any needed shifts or adjustments in farm production, he concluded, "as long as they have a nationwide system of farmer-committeemen."

18,351 WHEAT INSURANCE
CONTRACTS IN NORTHEAST

The Northeast wheat States will have in effect approximately 18,351 wheat insurance contracts as soon as the Federal Crop Insurance Corporation completes the approval procedure on the 1947 wheat crop insurance applications.

Final reports from State offices on the 1947 sales program indicate that 3272 applications for the three-year period 1947-48-49 were submitted by wheat producers of which 140 were to replace 1946-47-48 cancelled contracts leaving 15,219 contracts continuing in effect.

The following is a preliminary report by States. A report by counties will appear in a future issue of "Agriculture in Action."

State	1946 Contracts	No. Cancelled by Signing '47 Appl.	1947 Applications Signed
New York	4,295	124	1,331
New Jersey	599	0	234
Pennsylvania	10,325	16	1,657
Total	15,219	140	3,272

---The USDA is purchasing onions to support the market in Massachusetts and upstate New York under an extension of the program previously authorized in those States.

FARMERS CHALK UP ANOTHER RECORD YEAR The 1947 harvest is fulfilling the promise of the greatest U. S. crop production in history. Crops this year are generally tops in quality too.

New production records are being set for corn, wheat, tobacco, potatoes, peaches, pears, plums, and truck crops. In the near-record class are oats, rice, peanuts, grapes, cherries, and sugar cane. Average or better crops are promised for hay, soybeans, dry peas, flaxseed, sorghum grains, sugar beets, sweetpotatoes, apples.

Dark spots in the production picture are cotton -- for which prospects have dropped to the lowest in 25 years -- rye, broomcorn, dry beans, and pecans. Prospects for total oil crops remain lower than last year.

Food and feed grain crops will probably total the highest on record. Feed grain production will amount to 127.5 million tons, 4 percent above the 1942 previous high. This total is made up of 3,374 million bushels of corn, 1,527 million bushels of oats, 255 million bushels of barley, and 88 million bushels of sorghum grain.

Feeding supplies per animal unit are expected to be the most liberal in history, despite relatively small carry-over stocks. Liberal roughage seems assured by the 97-million-ton crop of hay, with record large carry-over and large crops of rough forages.

Production of food grains at 37.4 million tons also tops any previous 46 million larger than any previous crop, rice production at 70 million bushels, and rye at 21.4 million bushels.

Sugar crop prospects continue high, though sugar beets have declined slightly. Tobacco production is a new record at 2,248 million pounds -- a quarter of a billion pounds more than the record total last year.

U. S. EATING RECORD Despite the meat shortage, U. S. citizens on the average
AMOUNT OF FOOD IN '46 are eating more food during 1946 than for any other year on record.

The Bureau of Agricultural Economics says that per capita food consumption this year is running 15 percent above the prewar 1935-39 average and 3 percent above last year. This high eating rate is expected to continue in 1947.

Meat consumption this year will probably average between 140 and 145 pounds per person, compared with 137 pounds last year and 125 pounds before the war. Next year's meat supplies will be about the same as this year but may be spread more evenly throughout the year.

BAE expects about the same supplies of chicken and turkey, vegetable fats and oils, potatoes, dry beans, and most fruits for 1947 as this year.

Smaller supplies are in prospect for eggs, fresh vegetables, and milk.

Increases are expected in supplies of butter, lard, cheese, citrus fruits, flour, rice, sugar and fish.

ANDERSON CALLS ON AGRICULTURE
TO HELP BUILD THE PEACE

One of the most encouraging facts in our troubled world is that American agriculture today is in an excellent position to help build peace, according to Secretary of Agriculture Clinton P. Anderson, at a meeting of agricultural leaders sponsored by the Rotary International on October 10, Geneva, New York. We must, therefore, find ways to keep our agriculture strong and productive.

As the Secretary sees it, the farm problem has two major parts: (1) To maintain markets that will make full use of agriculture's newfound productive capacity; and (2) to shift or adjust production to follow the trends of demand -- away from the distorted wartime pattern and over to the peacetime requirements of a nation that seeks higher standards of living.

Secretary Anderson believes that the Government's price-support program does not yet serve the purpose Congress intended in passing the Steagall Amendment -- protecting farmers' income while they make postwar adjustments. For instance, some price-support commitments are maintaining high production of commodities not needed while others are holding down the production of needed items.

Among measures recommended by the Secretary as aids to postwar farm stability are more efficient distribution and conservation of U. S. soil resources.

"We must very soon start using our farms and forests as if we expect civilization to continue indefinitely . . . In spite of the excellent progress we have made through our conservation programs, we are using our essential natural resources faster than we replace them. . .

"This is agriculture's chance to help build the peace. . . The world cannot achieve real peace unless American agriculture maintains its economic health and produces in abundance."

ILLEGAL POTATO SALES
BRING CONVICTIONS IN N.J.

Two New Jersey farmers have been convicted of conspiracy to defraud the United States Government in connection with illegal sales of potatoes.

In the fall of 1945, in Burlington County, N.J., Elmer Salisbury, a large dairy farm operator, obtained 120 carloads of potatoes from the Government for use only as livestock feed. Instead of so using the potatoes, Salisbury formed an agreement with Walter Liedtka, to dispose of the potatoes for human consumption. Government prosecutors proved that at least 35 carloads of potatoes had been so marketed for slightly more than \$18,000.

In the District Court at Trenton, Salisbury was sentenced to a year and a day in a Federal penitentiary. Liedtka drew a similar prison sentence which was suspended. He also was fined \$1,500 and placed on probation for 5 years.

* * *

---The U. S. cotton carry-over next August is expected to be a little over 3.5 million bales -- the smallest since 1929. This is less than half the 7.5 million bales on hand August 1 of this year. Supplies for the 1946-47 marketing season are indicated at 16.3 million bales.

SCHOOL LUNCH CONFERENCE
SCHEDULED OCT. 22-23

A national school lunch conference, to be attended by State and federal officials responsible for operation of the program will be held in Washington,

D. C. October 22 and 23.

Operating procedures for all areas where the lunch programs are in effect -- the 48 States, the District of Columbia, and the territories -- will be considered at the conference. October is the first full month of operation under the National School Lunch Act passed by Congress at its last session.

COWS NOT AFFECTED
BY 2, 4 - D

Cattle and sheep which were grazed on pasture treated with 2,4-D revealed no unusual effects from the insecticide, Department of Agriculture scientists report. The animals showed no symptoms of discomfort or illness, and post-mortem examination of slaughtered cows revealed no unusual conditions caused by 2, 4-D.

Experiments have been with pure 2,4-D. Commercial preparations of 2,4-D that may contain impurities or constituents other than those used in this experiment may have toxic effects, the experimenters warned.

Spraying of 2,4-D as a weed-control practice for two weeks has been approved under the Agricultural Conservation Program for 1947. The chemical will be approved for use in States where bindweed and Canada thistle threaten crops.

1947 DEMAND FOR FARM
PRODUCTS TO CONTINUE HIGH

Farmers can expect another year of strong demand for their products in 1947, though demands may taper off during the last half of the year. On the average, 1947 demands are likely to be somewhat below 1946.

This is forecast by the Department of Agriculture, which also believes that the net income -- the profits -- of farm operators next year may be 10 to 15 percent less than in 1946. Even so, this probable income would be $2\frac{1}{2}$ times the 1935-39 average.

Both the prices received by farmers for their commodities and the prices paid by them to run their farms are likely to increase in 1947 above 1946.

IEFC MEETS IN
WASHINGTON

Food officials of 25 countries gathered in Washington on October 14 for the second meeting of the International Emergency Food Council. The Council was set up last May to succeed war-time Combined Food Board in recommending international allocations of scarce foods.

Scheduled for consideration at the meeting were recent developments in the world food situation, the relation between the international allocation system and bilateral trade agreements between member countries, and the reestablishment of food processing industries in Europe.

Commodities which remain under allocation or close review of the Council include cereals, sugar, oilseeds and oils, meat, salted and canned fish, beans and peas, animal feedingstuffs, cocoa, teas, spices, soap, fertilizers, argols, and certain grass seeds.

FORWARD IN FORESTRY Secretary of Agriculture Anderson before the American Forest Congress, in Washington October 9, said in part: "Since 1938, the quantity of standing saw timber has declined nine percent -- from 1,763 to 1,601 billion board feet. The annual cut of saw timber, together with natural losses, exceeds the growth of saw timber by 50 percent. In other words, the saw-timber growing stock is shrinking at a disturbing rate. In the eastern half of the U. S. where more than three-fourths of our commercial forest land is situated, there is not enough growing stock to sustain the present rate of cutting.

"Excessive as it is by comparison with forest capacity, the present rate of cutting falls substantially short of our present active demand and our future potential requirements for timber products. This fact underscores the inadequacy of our forest growing stock. That inadequacy is further underscored when we consider the need, as a part of sound public policy, for some margin -- some slack to fall back upon. We need a margin of growing stock for national security, for unforeseen emergencies, for new uses for timber. We will need an additional margin for eventual export if the Nation is to play its part in helping to meet world requirements for timber. Today we haven't any margin. We have less than no margin. The Nation is operating its forest business in the red.

"Three-fourths of our land suitable and available for growing commercial timber -- 345 million acres of it -- is privately owned. This includes, by and large, the best growing sites and the most accessible locations..."

USDA FOOD DELIVERIES Food deliveries by the Department of Agriculture
1,885 MILLION LBS., AUG. totaled 1,885 million pounds in August. July's
 deliveries were 2,138 million pounds.

Agricultural commodities delivered for shipment to foreign claimants totaled 991 million pounds; to UNRRA, 596 million pounds; and to other U. S. agencies and Government-sponsored programs, 298 million pounds.

* * *

---Since more natural rubber is becoming available, international allocation control will be ended December 31. The world supply of crude rubber has been allocated since 1945.

(Agriculture in Action -- Issued weekly and distributed in the Northeast to State PMA Committeemen, State Offices of PMA; Farmer Fieldmen, County Offices in Mass., Conn., Penna., N.J., and N.H.; County Committeemen in N.J., Penna., N.H., and R.I.)

RADIO SCRIPT

A. W. Manchester, Director
Northeast Region, Field Service Branch
Production & Marketing Adm., USDA
October 17, 1946 - 6:15 a.m.
Station WBZ - Boston, Mass.

The October crop report, out last week, reveals still further increases in this year's amazing farm production. The estimate of the corn crop, already above any previous record, went up a little bit more. The fine quality of the crop makes the feeding value even greater than the yield figures indicate. Wheat is up a little bit oats the same, also buckwheat, flaxseed, rice, and grain sorghums more than a little. There's a bigger hay crop than previously estimated, a little more soybeans, and peanuts, and a good many more potatoes.

The potato figure deserves more than passing mention. The October estimate is for a total of 471 million bushels. That's more potatoes than we ever raised before. Besides, they were raised on many less acres than we have planted many times before. It's the unheard of yield, now at approximately 173 bushels per acre, that did it. Science is really doing its stuff to potato yields now -- Science and shifting production to higher yielding areas. And estimates are that they are far from through. Students of the trend expect a 200-bushel national average, or better, before many more years are past.

The Northeastern States are doing their part in increasing yields. Maine leads the country with a present average of 350 bushels -- that is, leads the country except for California which on the early crop went to 410 bushels. The late crop in California averaged under Maine's late crop, but those early potatoes probably put California ahead.

Maine's 350 is 75 over the 10-year average. Of course, the figure would be substantially higher if only the commercial acreages were included. Individual yields of 600 bushels or more are common, and 500 bushels is not unusual in nearly any of the Northeastern States.

The total crop of 471 million bushels is nearly 100 million over the 10-year average and about as much over the total needs for all the customary uses of potatoes. Every way that can be found to utilize some of those extra potatoes -- exports, starch, alcohol, livestock feed, and so on -- is being expanded to the limit, but there is little hope that they can all be used before they spoil.

The grower is being quite successfully protected by a support price, but it's still too bad to have some of those good potatoes go to waste.

The enormous total food production from all crops is, of course, a Godsend at a time when our own reserves were at low levels and the world is still far from secure on the food front.

But, at the same time, it brings or aggravates some of our problems.

(continued next page)

Radio Transcription - 2

Most of you remember the feed shortages of last spring and early summer. In fact, there are still some shortages, pending the marketing of this big corn crop. The great production of feed grains promises to drive the wolf from the Northeastern stable door. The protein part of feed mixtures will still be hard to come by, but total feed should be abundant. Feed prices won't go very low -- the prices of the feed grains are supported by Government action. But prices should be somewhat under the highest levels of the past year and should be reasonable in comparison with the prices of milk, eggs and poultry in the near future.

In that sense, the big crops of feed grains look favorable to Northeasterns -- farmers and consumers alike. On the other hand, they are apparently aggravating the meat shortage and are likely to continue to do so for some time.

There is such a big crop of corn and feed grains that feeders are stocking up with beef cattle in order to feed it out. The movement of cattle from the ranges to feedlots has been abnormally large during the last two months.

A large movement at this season is normal. But this fall it has been setting a record. Many a steer and heifer that under other situations would have gone to slaughter is now being prepared for from two to six or eight months of intensive feeding. All it will have to do will be to idle around and stuff itself.

It will mean more beef and better beef some time, but it means less just now.

With a big crop of corn, the prospective profits from feeding are so high that feeder cattle were consistently bid up to levels substantially above beef ceilings. That is one factor in the meat shortage and it grows out of the big corn crop.

The longer range implications of this year's big yields are even more important. Like this year's yield of potatoes, it looks as though they were here to stay -- with ups and downs, of course -- but a high average level -- and probably going higher. That's a great thing for the country. It means that we can feed an increasing population and feed it better. But it, too, brings its problems. If it is used to undermine farm prosperity, it will undermine national prosperity and we shall again be faced with surpluses that the hungry can't buy -- privation in the midst of plenty.

One of the basic problems of America is how to live successfully with abundance. And that problem starts on the farm front.

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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.

OCT 28 1946
October 23, 1946

AGRICULTURE IN ACTION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester
A. W. Manchester
Director, Northeast Region

THE STRUGGLE FOR POWER
AND SELF SELDOM TIRES
AND NEVER RESTS. . .

One of the strange things about mass opinions -- the way people all together think and feel about important matters -- is the ebb and flow of our adherence to principles.

Sometimes the great majority of us are militantly devoted to the upholding of the right, to justice, to protection of the weak against exploitation, and to service to the general welfare over selfishness.

Then, again, we grow careless or cynical. We relax our guard. We permit the forces of "get and grab, no matter how," to dominate unchallenged. The majority are still for the right but they are confused and apathetic. While the struggle for power and self seldom tires and never rests.

We went through such a period -- a long drawn out one -- after the last war. It was a time of dominant immorality. Historians commonly recognize it as such. We paid the price in human abasement at the time, and we paid a terrible price in loss, want, and degradation through the long years of the depression that that immorality made inevitable.

We are now gravely threatened with a repetition -- and at an accelerated pace. For the forces that shape our economic destinies grow stronger always.

It is a time for right minded people to examine with new alertness what is going on. The questions to ask about each measure are: Is that right?

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(Continued from page one)

Is it strictly and unqualifiedly right? Will it serve the welfare of the great mass of people, and unquestionably serve that welfare? Or is it for the few at the expense of the many, thinly veiled perhaps by nice and unctuous names.

It's a time when we all have an obligation to be alert as we seldom have needed to be. For it is a time when the shape of the future is being moulded as only once in a long while it is moulded.

The danger is not so much that we shall be knowingly wrong as that we shall be careless or led to chase after little gains, while the great good is stolen away.

This is true in nearly all phases of American life. It is at least equally true in agriculture.

Even more than ever before, the welfare of the farmer is tied up with the well being of the great mass of American people.

The capacity of American farms to produce has been expanded far beyond any capacity they ever had before. It has been expanded by tractors and machines without numbers, by fertilizer and lime in quantities far greater than ever before, by soil improvement, by new varieties and better breeding, by new chemicals to control insects and diseases, and by an incredibly rapid spread of technical knowledge of how to produce more from less.

American farms not only have the capacity to produce; they are going to produce.

No matter how good government support of farmers' price may be, it can't protect the farmer well or long unless that capacity to produce food is matched by a capacity of all the American people to buy the food that they and their families want and need.

Proposals to make it possible for American food to flow freely to the hungry people of the Earth are fine and right. Right people belong right behind them.

But they cannot protect the American farmer against disaster from a major breakdown of his own home market.

If American agriculture doesn't want that breakdown -- and it doesn't, there isn't any question about that -- it has got to be greatly concerned that we don't lapse into the threatened age of immorality.

How do you recognize the threat? It's first symptom is the emergency of the "wise guy" on the center of the stage. He is the chap who spends about half his time telling you how good he and his crowd are. He has to do that partly because his cause and course naturally rouse suspicion.

It takes the rest of his time to sell you a bill of goods that contains a temporary little advantage to you and a big one to him, but that, if you stop to think, can only undermine the fundamental basis of permanent prosperity -- the well balanced forward progress of all our people.

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It's probably foolish of me to talk in these general terms. Most of us, including myself, are mainly concerned with particular actions and problems -- not generalities.

But unless we have some general principles to guide our decisions, we wander and wobble into all sorts of inconsistencies to our final undoing.

Most of us have those principles and we agree pretty well on them. Now is the time to bring them out of the attic, dust them off, and get them actively in mind. We are surely going to need them, often -- and sorely -- in the year ahead.

A lot of things stand in the way of straight thinking and clear cut sticking to principles -- things like prejudices against people and groups that we don't like, loyalty to people or groups that we do like but who aren't at the moment going the way our principles point, and confusion from bad names pasted on people or causes to discredit them. But those are the things that we have to keep from misleading us if we are going to avoid decadence and disaster in these critical postwar days. --- Radio Transcription, A. W. Manchester

October 24, 1946, Station WBZ, Boston, Mass.

FEW MAJOR FOODS REMAIN UNDER PRICE CONTROL With price ceilings removed from most foods, following decontrol of livestock and food and feed products made from livestock, less than a quarter of the Nation's total food budget remains under price control.

Principal foods still under price ceilings include rice, flour, bread and bakery products, sugar and syrups, dry edible beans and peas, canned tomatoes, oranges, bananas, and canned pineapple.

Decontrol of livestock and livestock products by Presidential action was followed almost at once by removal from price control of all byproduct feeds and mixed feeds, soybeans, and flaxseed, edible oils and edible oil products, including oleomargarine, shortening, mayonnaise, salad dressing, cooking and salad oils, and oils made from corn, cottonseed, peanuts, and soybeans.

Pending are industry petitions for decontrol of flour and bakery products. The Decontrol Board has announced that it does not expect to direct reestablishment of ceilings over dairy products, since this would appear inconsistent with the accelerated decontrol program. Moreover, within a short time milk production will begin to increase, and with the rising production and the resumption of livestock slaughter the pressure on prices of dairy products is expected to be materially relieved.

HATCHERY PRODUCTION Chicks hatched during September by commercial hatcheries
DOWN DURING SEPTEMBER --26,611,000 -- was about one-half the number produced
in September 1945, and 10 percent less than the 1940-44
September average.

Because of the light hatch this year, potential layers on farms on October 1 numbered 525,956,000 -- 9 percent less than a year ago, but 9 percent above average holdings.

FIELD SERVICE BRANCH In a recent memorandum, Dave Davidson, Field Service
OPERATING AS FORMERLY Branch Director, made the following statement in
 connection with the September 30 announcement of PMA
Administrator Shields which, among other things, abolished the Field Service
Branch and established a Conservation Programs Branch:

"There has been no announcement of the cancellation of this instruction. Until further notice the Field Service Branch . . . personnel . . . shall, unless and until otherwise directed, . . . continue to perform all functions previously assigned. Regional Offices as constituted on May 20, 1946, will continue to operate until further notice. . . No changes are contemplated in the State and county organization."

CROP INSURANCE AIDES More than 50,000 farmers signed Federal all-risk crop
50,000 WHEAT CONTRACTS insurance contracts during the sign-up campaign just
 ended in States growing winter wheat, according to
preliminary estimates.

Indiana, with almost 5,000 contracts so far leads all States in the number of new policies signed by winter wheat growers. More than 50 percent of Utah's wheat farms are now protected by Federal crop insurance contracts. The State's total is over 4000, including the 1000 signed this last summer. Ohio has an insurance program in all of its counties. To be eligible for participation, a county must have 50 insured wheat farms or one-third of the wheat farms in the county.

The wheat-insurance sign-up started around the first of July and ended in August - September. While policies are sold on a year-around basis, an intensified campaign is conducted just prior to the closing dates for taking out crop insurance on the next year's crop.

Sign-ups now under way for spring wheat, cotton, and flax will reach a peak in all States shortly after the first of the year. Some States report signing up a number of spring wheat farmers immediately following their winter wheat closing dates.

Winter wheat contracts are for 3 years duration and protect an insured farmer's investment against loss from any natural hazard. In 1945, insured wheat farmers collected indemnities under Federal all-risk crop insurance for crop losses caused by 37 different kinds of crop hazards.

Over a half-million contracts are now protecting farmers who grow the five crops insured under the Department of Agriculture's all-risk crop insurance program. Including the preliminary estimate of wheat crop insurance contracts signed during the summer, over 350,000 policies now protect wheat farmers. Nearly 115,000 cotton crop insurance contracts covered the 1946 cotton crop. Flax farmers signed about 11,000 contracts on their 1946 crop.

Federal all-risk crop insurance for the second year was on a trial basis in: 1946 on tobacco and corn crops in 19 counties scattered throughout the States producing these two crops. The number of corn crop insurance policies nearly reached the 7,500 mark, and over 13,000 contracts were signed by tobacco farmers.

WICKHAM ADDRESSES
FEED REPRESENTATIVES

"The General Feed Situation" was discussed by C. Ely Wickham, Program Operations Chief, Northeast Region, Field Service Branch, PMA, at the annual conference of Vermont feed manufacturers, distributors, and feeders held October 17 at the University of Vermont, Burlington. The following are excerpts from Mr. Wickham's talk:

"Feed supply prospects, as a whole, are more favorable for the coming year than they have been since 1942. Total supplies of feed concentrates for the 1946-47 season, including feed grains, by-product feeds, wheat, and rye, are estimated to be about 162 million tons. This is the largest supply per animal unit on record even after deducting prospective exports. The supplies available for feed and carry-over will be much larger than a year earlier. Moreover, the quality of the 1946 corn crop is considerably better than it has been for recent crops. Included in this picture, the feed grains supply per animal unit is also the largest on record. Supplies of by-product feed per animal unit are expected to be at near record levels. High protein feeds per animal unit will be fully as large as last year although competition will be greatest for these feeds.

"Transportation difficulties will hamper the free flow of feed ingredients to places where they can be used and these difficulties will be most acute during the next six months. There seems to be no immediate remedy for this situation. The production of new boxcars is not gaining very rapidly on the number which are going out of condition daily. Shortages of building material will prevent much immediate expansion in the building of boxcars. Through the cooperation of the railroads and trade the car "turn-around" period has been reduced during the last few months from 14 to 13 days. It does not look as though this period can be reduced much more. Farmers in the grain belt are being urged to take every advantage of available transportation to move their products into marketable position. . .

"In order to appraise the oilseed meal situation, it is necessary to give consideration to some of the things which have been happening in that industry. The world market for oil is far in excess of supply and probably will continue so for several years. During the last two years considerable crushing facilities have been constructed in Argentina, primarily for the purpose of taking advantage of a very profitable price for linseed oil. It is questionable whether we will ever import as much Argentina flaxseed as in the past and will probably get very little in the immediate future. Soybeans, the other large source of vegetable protein meal, as far as domestic production is concerned, are competitors for other grain crops. Unless the net return per acre to producers stays at least equal to the return for the production of grain, the domestic production of soybeans will diminish. . .

"I do not think we need be too concerned with the export goal of 400,000,000 bushels of grain and grain products between July 1, 1946, and July 1, 1947, 55 percent of which will be exported by January 1, 1947. We can afford to export this amount and still have enough for our own use leaving an expanded carry-over on October 1, 1947."

* * *

—A special loan program for potatoes in emergency field storage has been authorized for Vermont as a means of supporting the price of potatoes for which no permanent storage is available. This special program has now been authorized for all Northeast States with the exception of New Jersey.

RECORD SEED HARVEST
IN PROSPECT

Harvest of alsike, alfalfa, and red clover seed will hit a near-record, according to forecasts by the Department of Agriculture. Acreage and poundage payments under the Agricultural Conservation Program, higher prices received by growers, and yields equalling last year's all helped boost the total. Here is the picture for individual crops:

Alsike clover seed production may be 9 percent above last year's production -- 372,400 bushels (22,344,000 pounds), compared with 340,290 bushels last year.

The 1946 crop of alfalfa seed may set a new record, exceeding the goal by about 42,000 bushels. The crop is forecast at 1,374,000 bushels (100,452,000 pounds). Last year's production was 1,206,900 bushels (72,414,000 pounds). After clearinging it is expected that there will be 82,494,000 pounds of alfalfa seed, compared with 58,224,000 pounds in last year's crop.

Production of red clover seed this year may be the third largest ever harvested -- 2,007,200 bushels, compared with 1,744,000 bushels last year. In mid-September it appeared that 2,582,200 acres of red clover would be harvested for seed -- 154,800 acres above the 1944 record acreage.

USDA REMOVES
GRAIN RESTRICTIONS

Recent grain actions taken by the Department of Agriculture include: (1) Termination of controls over purchases and use of corn and other feed grains by feed manufacturers, feeders, food manufacturers, dry and wet processors. (WFO-145, instituted last April to conserve grain supplies to meet domestic and export requirements and to obtain a more equitable distribution of supplies in the U. S.)

(2) Removal of all restrictions on the selling of wheat by mixed feed manufacturers, on the use of "non-milling" quality wheat in the mixture of grains for sale as an ingredient in making mixed feeds, and on the delivery of flour by a miller to owned or controlled subsidiaries with the 85-percent restriction on the production of flour for domestic distribution. (Amendment to WFO-144).

(3) Increase of grain quotas of small brewers and of persons initiating or resuming brewing operations from 180,000 to 225,000 pounds for the three-month quota period. Total grain usage by breweries now in operation is increased about 10,000 bushels a month. (Amendment to WFO-66).

FATS AND OILS ORDERS
REVOKED BY U.S.D.A.

The Department of Agriculture on October 22 revoked all War Food Orders controlling fats and oils with the exception of WFO-130 (Purchase, Sale, and Use of Peanuts of the 1945 crop) and WFO-63 (control of imports). The Department also will continue to allocate exports.

The following orders were revoked, effective October 19: WFO-29, Distribution, Delivery and Use of Cottonseed, Peanut, Soybean and Corn Oils; WFO-42, Restrictions on Use of Fats and Oils in Edible Fat or Oil Products; WFO-42a, Use of Fats and Oils in Protective Coatings, Coated Fabrics, and Floor Coverings; WFO-42b, Use of Fats and Oils in Soap; WFO-43, Restrictions on Use, Processing, Sale and Delivery of Coconut, Babassu, Palm Kernel and other High Lauric Acid Oils; WFO-67, Inedible Tallow or Grease; WFO-124, Linseed Oil Inventories.

The Fats and Oils Branch will no longer allocate high lauric acid oils, and persons holding import licenses are relieved of the condition requiring them to sell in accordance with the allocations made by the Department of Agriculture.

AROOSTOOK COUNTY REPORTS
ALMOST 4000 POTATO LOANS

The huge potato crop has prompted Aroostook County, Maine, farmers to apply for almost 4000 loans under the USDA potato loan program which was effective September 15. Through October 22, 1,986 applications had been received for regular loans and 1,946 for special loans on potatoes in emergency field storage. Last year Aroostook County processed a total of 2692 regular loans and only 17 special loans.

MILK AND CREAM
CONSUMPTION DROPS SLIGHTLY

Reduced consumption of fluid milk and cream appears to have accompanied the higher retail prices charged for these products since price controls and subsidies ended on July 1, according to the Bureau of Agricultural Economics.

Consumption, however, is still above the prewar average, and increased butter production has taken up most of the butterfat made available by decreased consumption of fluid milk and cream, BAE says.

For 1946 as a whole, consumption of fluid milk and cream in the United States is expected to be around 430 pounds per person compared with 438 pounds in 1946 and 340 pounds for the 1935-39 average.

HARMAN GIVES HIGHLIGHTS
OF BRITISH AGRICULTURE

Dewey J. Harman, Director of the Production and Marketing Administration for Colorado, reports that almost every item of daily living continues to be rationed in England, and most agricultural production is subsidized by the Government. Mr. Harman has just returned with a group of other Americans from a month's tour of the British Isles.

There is little free marketing in Britain; farmers sell their products to the Government, which in turn handle distribution to retailers at prices lower than those paid producers. Cross-checking against the normal production and marketing figures of individual farms guards against black markets.

Farmers receive allowances from their own production for family consumption, but sometimes a part of the production -- such as half the meat from a slaughtered hog -- must be sold to the Government for other consumers.

County farmer-committees, appointed by the Minister of Agriculture, have wide authority. They check performance on the land, and may take over farms for operation or for renting to another farmer when the operator is not doing a good job. In such instances, title to the farm does not change hands, but the farm may be held until 1950, with rental being paid to the original operator. Methods of appeal are available to the farmer if he feels that he has been unjustly dispossessed.

England needs badly to return much of her cropland to grass, Mr. Harman reports. But the price of plowing and fertilizing will make the return costly -- between \$55 and \$60 an acre, of which \$8 or \$10 will probably be paid by the Government.

With farms averaging a little less than 30 acres of tillable land, most farmers use a 6 or 7-year rotation plan. Small plots in various stages of rotation are in turn planted to such crops as turnips, potatoes, oats, and then grass for 3 or 4 years. There is a great need for more farm machinery.

About 20 percent of Britain's farm workers are prisoners of war, and 5 percent more are members of the Women's Land Army. Most farm work is done by hired workers, many of whom belong to a labor union. The "farmer" who is the owner or operator usually serves as the manager of the farm.

BUILDING A SOUND
AGRICULTURAL PROGRAM

Robert H. Shields, PMA Administrator, before the National Catholic Rural Life Conference at Green Bay, Wisconsin, on October 14, said in part: "What kind of agricultural program must we in the U. S. choose to follow? As I see it now, it would line up about as follows:

"In the International Field - (1) We should continue to play a strong and positive role in the Food and Agriculture Organization of the United Nations (FAO). (2) We should continue to press for the rapid establishment of all the international agencies envisioned as working coordinately under the broad authority of the Social and Economic Council of the United Nations . . . (3) We should utilize every possible avenue of education to bring information on the plans and progress of all these United Nations agencies to all farm people. . .

"In the domestic field - (1) We should continue and expand the already large-scale measures to conserve our soil, forest, and water resources. (2) We should expand rapidly our efforts to achieve for our farmers not only a parity of prices between the products farmers sell and those they buy but also a parity of income and services between rural and urban people."

MEXICO LOOKS TO THE SOIL Mexico is launching a nation-wide program to build an agricultural foundation which will support a much higher standard of living for its people.

The Mexican Government has passed a Soil and Water Conservation Act early this year. The goal is to restore eroded land to productivity and to prevent future waste of soil and water.

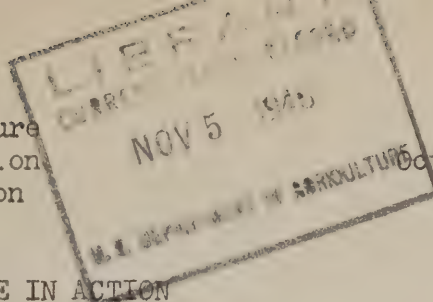
Mexican authorities recognized that food shortage is a principal problem of their country, and are looking to the new program to increase farm production. Surveys made during the war showed actual hunger in badly eroded areas, and serious deficiencies in the diets of both city and country people.

Surveys made by the Government show 30 percent of the steep lands and 12 percent of the plans totally unproductive as a result of erosion.

* * *

(Agriculture in Action -- Issued weekly and distributed in the Northeast to State PMA Committeemen, State Offices of PMA; Farmer Fieldmen, County Offices in Mass., Conn., Penna., N.J., and N.H.; County Committeemen in N.J., Penna., N.H., and R.I.)

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United States Department of Agriculture
Production and Marketing Administration
Field Service Branch, Northeast Region
Washington 25, D. C.



October 30, 1946

AGRICULTURE IN ACTION

Dear Committeemen:

The information included in this letter is to assist you in the administration of Production and Marketing Administration programs and provide understanding of related actions.

A. W. Manchester
A. W. Manchester
Director, Northeast Region

PRICE CEILINGS REMOVED
FROM MOST FOODS

Price controls have been removed from all food commodities — except four groups — by the Office of Price Administration. Foods remaining under control are:

- (1) Sugar and sugar solutions including edible syrups and molasses and blackstrap molasses (syrups or glucoses produced from tapioca flours or starchy materials of potatoes, tapioca, casava, sage, rye and manioca are exempted from price control);
- (2) Corn sugar and corn syrup; (3) Blended syrups which contain at least 20 percent by weight or volume of sugar, sugar solutions, corn sugar or corn syrup;
- (4) Rough and finished rice.

Price ceilings on sugar and rice are kept to make effective the present rationing and set-aside programs of these scarce commodities. If controls were removed from sugar and rice, present set-aside orders would be unworkable. Also, it is believed that high bidding by buyers would exert too great pressure on the rationing controls.

Foodstuffs removed from price control include: Flour, bread and bakery products, canned fish, candy, bananas, oranges, canned tomatoes and tomato products, canned pineapple and pineapple juice, breakfast cereals, macaroni and spaghetti.

OPA explained that decontrol of livestock (and food and feed products made from livestock), coupled with the removal from price control on most edible oils and oil products last week left only a small portion of foods under price controls. In line with removal of ceilings on the four principal vegetable oils, the following seven edible oils were exempted from price control: (1) Grapeseed oil, domestic and imported; (2) Olive oil, domestic and imported; (3) Sesame seed oil; (4) Sunflower seed oil; (5) Sorghum grain oil; (6) Tea seed oil; (7) Safflower oil.

Because of the soap and paint shortage, OPA has kept under ceilings, 17 inedible oils that are important soap and paint ingredients.

Other items exempted from price control include: (1) Rice bran concentrate and oil meal cake; (2) All animal and poultry mixed feeds and all by-product ingredients from agricultural commodities which can be used in the manufacture of mixed feeds; (3) All legume seed — alfalfa, red clover, alsike clover, and sweet clover.

SECRETARY ANDERSON NAMES Secretary of Agriculture Clinton P. Anderson has
RESEARCH ADVISORY COMMITTEE announced appointment of an 11-man National
Advisory Committee provided for in the recently
enacted Research and Marketing Act of 1946 (Public Law 733).

The members of the Committee are: H. E. Babcock, Ithaca, N.Y., Chairman of Board of Trustees, Cornell University; Fred Bailey, Washington, D. C., Legislative Counsel for the National Grange; Robert Coker, Hartsville, S.C., Vice-President of Coker's Pedigreed Seed Company; John H. Davis, Washington, D. C., Executive Secretary of the National Council of Farmers Cooperatives; Charles F. Kettering, Dayton, Ohio, General Manager of the Research Laboratory Division, General Motors; C. W. Kitchen, Washington, D. C., Executive Vice-President of the United Fruit and Vegetable Association; Albert Mitchell, Bell Ranch Manager, New Mexico; James G. Patton, Denver, Colorado, President of the National Farmers' Union; Walter L. Randolph, Fayette, Alabama, President of the Alabama Farm Bureau Federation; H. J. Reed, West Lafayette, Ind., Dean of Purdue School of Agriculture; and Kerr Scott, Raleigh, N.C., State Commissioner of Agriculture.

Appointment of the Committee is in preparation for carrying out an expanded program of agricultural research and marketing services as directed by Congress. The newly appointed Committee will consult with the Secretary of Agriculture on broad overall phases of this program. The Act provides that the Secretary of Agriculture shall be Chairman of the Committee. The first meeting of the group is expected to be called in November.

Congress passed the legislation just before adjournment and no funds have yet been appropriated under its authorization. Planning and administering the program will require the cooperation of many Federal and State agencies and private industry as well as farm groups. The Department plans to call upon these groups in the near future for aid in planning the work to be undertaken when funds become available.

SUGAR DEFICIT AREAS All or parts of 14 additional eastern States have been
EXTENDED BY USDA designated sugar deficit areas by the Department of Agriculture as an emergency measure to move beet sugar eastward.

Under this action beet sugar processors may now ship into these areas and be repaid by the commodity Credit Corporation for extra transportation costs.

The 14 States are: New York, Connecticut, Pennsylvania, New Jersey, Maryland, Delaware, District of Columbia, Georgia, West Virginia, Virginia, North Carolina, South Carolina, and portions of Tennessee and Kentucky.

The normal flow of sugar into these areas, usually supplied by sugar produced in Cuba and Puerto Rico, was stopped by the maritime strike recently ended.

* * *

--Latest estimates for small grain acreage in Argentina show a big increase over earlier forecasts for barley and rye but a slight decrease for oats. The barley seedings of 3.1 million acreage would be the biggest on record for Argentina, the rye seedings; second largest.

WESTMORELAND COUNTY, PENNA.
HOLDS FOURTH ANNUAL BANQUET

A turkey dinner at the First Methodist Church, Greensburg, Pennsylvania, October 8, marked the fourth annual get-together sponsored by the Westmoreland County Agricultural Conservation Association, according to James J. Cleland, farmer fieldman. One hundred thirteen association members and wives, plus an ample supply of "brass" from the Pennsylvania State Office enjoyed a well-rounded program which ranged all the way from "gravy and filling" to a speech by the Assistant State PMA Director, Andrew S. Desjars, well known as an accomplished after-dinner speaker, Mr. Cleland said.

Albert Smith, State PMA committee member, entertained with harmonica selections and Homer Miller, Jr. gave some readings.

Mrs. Grace B. Virtue, secretary-treasurer of the association from Washington County, who has now completed 10½ years of service in the association, gave a brief description of how the office was furnished back in the old days. She said orange crates were used for files and a couple of borrowed tables and a half dozen kitchen chairs completed the equipment and compared this with the modern office facilities they have today.

County Committeemen M. P. Shoemaker, John Moffat, and Howard Lynch, who annually arrange for this event, extended invitations to the other counties in farmer fieldman Cleland's district. Of these, Fayette County was represented.

25 WAR FOOD ORDERS REMAINING Revocation of 16 War Food Orders by the U. S. D. A. on October 25, 1946, left active 25 orders which were put into effect during the war to help meet special emergency food problems and requirements, according to a PMA Summary of Active Food Orders.

The remaining orders are: WFO-2, Butter (to procure butter for war agencies with a minimum disruption of civilian supply); WFO-7, Raw Sugar (to effect equitable distribution of the limited supply of raw sugar to refiners); WFO-10, Rice, (to make rice available to governmental agencies for export to U. S. territories, and to insure distribution to civilian users); WFO-15, Cheddar Cheese (to make Cheddar cheese available to governmental agencies); WFO-16, Dried Fruit (to make dried fruit available to governmental agencies); WFO-21, Tea (to simplify the importation and distribution of tea; WFO-44, Canned Fish and Shellfish (to make adequate supplies of canned fish and shellfish available to the Government; WFO-51, Edible Molasses (to conserve the supply and promote equitable distribution).

WFO-56, Delegation of Authority to the OPA With Respect to Food Rationing; WFO-57, Rationing of Food in Alaska and Hawaii; WFO-63, Food Imports (restricts importation of some foods); WFO-64, Rationing of Sugar; WFO-66, Malted Grains (to insure adequate supplies of malt for food use, and for use in industrial alcohol production, by restricting the use of malt in the manufacture of malt beverages); WFO-68, Rationing of Food in Puerto Rico; WFO-71, Food Priorities; WFO-78, Enforcement of Priority or Allocation Orders or Regulations.

WFO-79, Fluid Milk and Cream (to maintain production of manufactured dairy products for essential needs and to avoid consumer rationing of fluid milk); WFO-82, Walnuts, (to meet military requirements for walnuts and to conserve burlap and transportation facilities); WFO--130, Purchase, Sale and Use of Peanuts; WFO-131 (Order now in suspense), Distribution of Direct Consumption Sugar; WFO-135, Veterans' Preference for New Farm Machinery and Equipment; WFO-139, Livestock and Meats; WFO-141 - Use of Grain for Distilled Products; WFO-144, Wheat and Flour; WFO-149, Cream (to secure the most effective utilization of milk).

CROP INSURANCE REPORT Preliminary figures on wheat crop insurance sales indicate there are now a total of approximately 5,500 contracts in force in New York and 11,000 in Pennsylvania. Figures are not yet available for New Jersey. In the sales campaign which ended September 14, for the 1947 wheat crop, New York reports 1,381 new contracts and Pennsylvania, 1,657.

A summary of county committee narrative reports in New York and Pennsylvania with regard to the recent sales campaign shows that in 46 counties, farmers thought established yields were too low and in 26 counties, farmers thought premiums were too high. Only five county committees reported any objection to the three-year contract while 11 counties said that many farmers thought they could carry their own risk. Eight counties indicated that farmers who were sold insurance a year ago did not have a complete understanding of the contract and six counties reported that some growers would like a "spot loss" contract.

New York appointed 13 county committeemen as agents who sold 102 applications; 147 community committeemen who sold 607 applications; 35 other persons who sold 560. Pennsylvania appointed 35 county committeemen as agents who sold 216 applications; 334 community committeemen who sold 1095; and 29 other persons who sold a total of 164 applications. The outstanding selling job was done by a person other than a committeeman in Wyoming County, New York, who sold 281 applications. Three persons other than committeemen in Bucks County, Pennsylvania, sold a total of 102. A county committeeman in Somerset County, Pennsylvania, sold 69 while a Bucks County committeeman sold 63.

In regard to the figures listed below it should be pointed out that a wheat producer had the privilege of cancelling his 1946-47-48 contract by signing an application for the 1947-48-49 crop years. The number of cancellations do not appear in the table but are deducted from the number of contracts sold a year ago and the difference appears in column three.

<u>New York:</u>	<u>Farms</u>	<u>1946-47-48</u>	<u>1947-48-49</u>	<u>Total</u>	<u>Approx. Farms</u>	<u>% Farms</u>
<u>County</u>	<u>Listed</u>	<u>Contracts</u>	<u>Contracts</u>	<u>Contracts</u>	<u>Covered</u>	<u>Covered to</u>
						<u>Farms Listed</u>
Allegany	573	124	122	246	246	43
Cayuga	2395	446	37	483	444	19
Chemung	536	167	17	184	177	33
Erie	2524	320	117	437	469	19
Genesee	1595	175	48	223	226	14
Livingston	1616	73	45	118	121	7
Monroe	2459	58	32	90	81	3
Niagara	2745	88	38	126	132	5
Onondaga	2298	348	50	398	402	17
Ontario	2325	394	51	445	458	20
Orleans	1754	107	47	154	164	9
Schuyler	867	110	81	191	191	22
Seneca	1601	572	104	676	815	51
Steuben	828	176	96	272	289	35
Tompkins	888	322	75	397	435	49
Wayne	2867	542	102	644	705	25
Wyoming	1000	62	309	371	452	45
Yates	1117	89	10	99	104	9
Total	29,988	4173	1381	5554	5911	20

(Pennsylvania report on next page)

Pennsylvania:

<u>County</u>	<u>Farms Listed</u>	<u>1946-47-48 Contracts</u>	<u>1947-48-49 Contracts</u>	<u>Total Contracts</u>	<u>Approx. Farms Covered</u>	<u>% Farms Covered to Farms Listed</u>
Adams	2262	174	32	206	236	10
Allegheny	1080	193	3	196	203	19
Armstrong	1993	74	15	89	89	4
Beaver	784	55	2	57	65	8
Bedford	1900	518	16	534	549	29
Berks	3772	463	43	506	557	15
Blair	899	142	2	144	150	17
Bucks	2921	145	243	388	405	14
Carbon	420	92	14	106	107	25
Centre	1432	111	37	148	151	11
Chester	(no report)	--	87	--	--	--
Clarion	1806	99	22	121	124	7
Clearfield	423	115	28	143	143	34
Clinton	512	57	16	73	78	15
Columbia	1866	466	50	516	561	30
Cumberland	2263	111	17	128	143	6
Dauphin	1814	365	7	372	386	21
Erie	1128	99	64	163	161	14
Fayette	1600	219	33	252	249	16
Franklin	2688	164	34	198	216	8
Greene	990	138	46	184	184	19
Huntingdon-	1399	92	19	111	115	8
Indiana	2288	237	57	294	332	15
Jefferson	763	84	19	103	107	14
Juniata	1029	167	18	185	195	19
Lancaster	6669	957	94	1051	1118	17
Lawrence	935	64	15	79	79	8
Lebanon	1439	157	49	206	256	18
Lehigh	1749	133	33	166	180	10
Luzerne	911	240	23	263	274	30
Lycoming	1627	524	65	589	620	38
Mercer	1272	93	49	142	142	11
Mifflin	866	91	5	96	102	12
Montgomery	1658	227	25	252	284	17
Montour	643	188	12	200	227	35
Northampton	1747	290	10	300	317	18
No 'umberland	1776	231	13	244	255	14
Perry	1539	130	6	136	141	9
Schuykill	1625	184	0	184	198	12
Snyder	1241	348	29	377	399	32
Somerset	1797	302	135	437	437	24
Union	923	114	8	122	158	17
Washington	2419	193	118	311	322	13
Westmoreland	2617	146	32	178	183	7
York	5763	390	12	402	431	7
Total	77,248	9382	1657	10,952	11,629	15

* * *

--Dry Beans. Set-asides and other restrictions on the purchase and distribution of dry edible beans have been terminated (War Food Order-45). Beans already set aside were also released from all restrictions under the order. Removal of price ceilings on dry beans makes administration of the order impracticable.

POULTRY AND EGG
SITUATION

The poultry and egg markets during September and until mid-October, when the price ceilings on meats were removed, were materially affected by the short meat supplies. Wholesale prices of all poultry products in early October were at or near the highest levels for World War II. Upon removal of price ceilings on red meats, chicken prices immediately declined about 20% but egg and turkey prices showed moderate change. In mid-September, prices received by farmers for eggs, chickens, and turkeys were near all-time highs for that month. Supplies of eggs are now somewhat larger than last year. Egg production is running about 4% below 1945, but the record rate of withdrawals from cold storage is offsetting the smaller production.

WORLD FOOD NOTES

---Vegetable oils are in critically short supply in Brazil as a result of two successive small crops of cottonseed, increased consumption, and heavy exports.

* * *

---Philippine copra exports this year probably will reach 500,000 short tons which would just about equal the prewar level. If shipping conditions are favorable, this estimate may be exceeded. Total fats and oils supplies in this country will still be far below requirements.

* * *

---World barley production this year is estimated at 2.2 billion bushels, which is 8 percent larger than in 1945 but still below average. Principal increases are in Europe and Africa.

* * *

---Canada and Great Britain have signed a beef contract providing for the purchase by Britain of a minimum of 120 million pounds of Canadian beef in 1947 and a maximum of 120 million pounds in 1948. The signing of the contract means that meat rationing in Canada probably will continue for some time.

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---Mexico is still short of wheat and other cereals for food. Some flour mills were forced to close during September for lack of wheat.

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Radio Transcription
A. W. Manchester, Director
Northeast Region, Field Service Branch
Production & Marketing Adm., USDA
October 31, 1946 - 6:15 a.m.
Station WBZ - Boston, Mass.

It has been true for a long time, probably ever since the world has had organized markets, that goods that can be held back from the market without deterioration will be kept back whenever there is good reason to expect prices to go up in the near future.

We are having a good illustration of that now, when price ceilings are going off. Nearly all removals of ceilings are inevitably preceded by a period of shortages when producers and handlers are gambling on making a profit by holding.

That is one of the reasons for some of the shortages we have now and some that we have had in the recent past. Soap and shirts and a lot of other things look like cases in point.

The removal of ceilings is apt to be followed by a rush to market to cash in on the higher prices. If prices zoom to very high levels, that rush is apt to get feverish from the attempt of producers and speculators to realize before the rush itself causes a drop.

All of this we have seen illustrated in the case of meat -- the withholding, a rush of livestock to market that over-taxed the capacity of the slaughterhouses, followed by a little say in livestock prices and a little slow-down in marketings.

Some of the stuff rushed to market was hardly ready and some was low grade. Such sag as has occurred has been principally in the lower grades, particularly cows. Retail meat markets are now filling up with meat from the slaughterings of the past couple of weeks, but retail prices are bound to be erratic and uncertain until consumers establish by their actions how much they will pay to get meat.

In the long run -- that is from now until a year from now -- there will be a fair supply of meat but not enough to give us all that we would buy at the prices that were legitimate when ceilings were in effect. The supply of beef will probably as a whole be a little more adequate than that of pork, although even that is a rather uncertain guess. It depends on consumers' desires at the higher price levels.

At any rate, the number of cattle in the country is at a pretty high figure and the number of pigs not so high as compared with the past.

Our long time tendency in this country is probably to eat a little less meat apiece, although our per capita consumption during this war was about the same as during World War I. We have meat enough in sight now to maintain a rate of eating a little better than the average before the war. But that average included a lot of folks who couldn't afford much meat. Now, with nearly full employment, there are many more active competitors for the supply.

(continued next page)

The quantity of meat that will be coming on the market is pretty well settled. Pigs can be fed to somewhat larger weights if it looks as though it would pay. Beef feeders can feed a little longer and add a few more pounds. They can put some cattle through the feeding pens that would otherwise be slaughtered without final finishing. The number of broilers and ducks can be increased and decreased. Calves can be sold as veal or held back for further growth.

But unless these things vary radically from common practice, they will make only minor changes in the total supply. And with a good feed supply assured none of them is to be expected to run to extremes.

So the meat situation from here on out is pretty well in the hands of consumers. How much they will have to pay will depend mainly on how much they will raise the ante in order to get the quantity and kind of meat that they want.

What is true of meat is true of many other things. In fact, the battle against inflation is rapidly becoming very much less a fight by the government and much more a fight -- if there is to be a fight -- that will have to be waged by all of us as individual citizens to protect ourselves. In that fight our principal weapon is our ability to get along without what we want until we can get it at a price we think is fair.